

**2007 DRAFTING REQUEST****Bill**Received: **11/17/2006**Received By: **pkahler**Wanted: **As time permits**

Identical to LRB:

For: **Insurance 264-6239**By/Representing: **Jim Guidry**This file may be shown to any legislator: **NO**Drafter: **pkahler**

May Contact:

Addl. Drafters: **jkreye  
agary**Subject: **Insurance - miscellaneous**

Extra Copies:

Submit via email: **YES**Requester's email: **jim.guidry@oci.state.wi.us**

Carbon copy (CC:) to:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Financial and market conduct package

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**Instructions:**

See Attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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	02/28/2007						
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Jacket  
Sent to  
Sen. Erpenbach  
Per Jim  
Guidry

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/6	pkahler	lkunkel	pgreensl		sbasford	sbasford	
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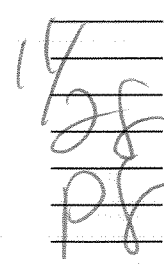
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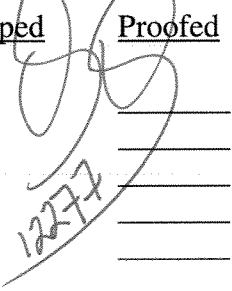
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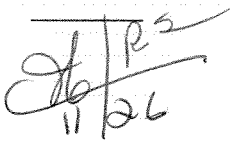
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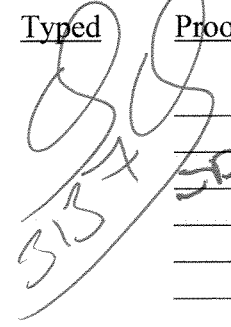
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**Kahler, Pam**

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**From:** Guidry, Jim R - OCI  
**Sent:** Wednesday, February 21, 2007 11:55 AM  
**To:** Kahler, Pam  
**Subject:** OCI legislative package  
**Attachments:** OCI Legislative Package-Grouped.doc

Pam,

After briefing Commissioner Dilweg on the OCI technical draft sent to you last November, he has decided that he would like to break the bill down into three separate pieces of legislation. Attached you will find the breakdown as requested by the Commissioner.

Additionally, the Commissioner has stated that his preference is that Group 1 - Policy and Form Package have priority over the other two pieces.

Please let me know if you have any questions. Thanks Pam.

Jim Guidry  
Legislative Liaison  
Office of the Commissioner of Insurance  
125 South Webster Street  
PO Box 7873  
Madison, WI 53707-7873

Work: (608) 264-6239  
Cell: (608) 209-6309

02/23/2007

part B 05-3368

**Group 3 – Financial and Market Conduct Package**

✓ **Investment in Subsidiaries.** Clarifies the existing statutory limitation that allows a 10% aggregate investment of domestic stock and mutual insurance companies in subsidiaries

other than insurance subsidiaries, investment subsidiaries, or ancillary subsidiaries, such as insurance agencies, securities dealers, investment companies, financial advisors, etc.

✓ **Approval of Mergers.** Current law states that any merger or acquisition of a domestic stock insurer may not be submitted to the shareholders unless the proposed merger has been approved by the Commissioner. Wisconsin is the only state that requires the Commissioner's approval prior to submission to shareholders. The legislation would remove this requirement. The legislation retains the requirement that the plan to acquire or merge be approved by the Commissioner before it is implemented.

dh.  
646 ✓ **Wisconsin Insurance Security Fund Changes.** Moves several board provisions from the administrative rules to the statutes and changes the number of insurer representatives on the fund board from 7 to 14 to 9 to 11. Insurer representatives are appointed by the Commissioner on recommendation by the board. It also permits insurer representatives to designate an alternative representative.

Sets the deadline for filing a claim against the fund to 18 months after an order of liquidation is entered, if that order does not specify a deadline.

Establishes a rate of interest or crediting rate on benefit payments under certain covered contracts to a rate based on Moody's average rate or the contract's guaranteed rate.

Changes the assessment base for life and health companies to a percentage of average annual premiums for the 3 most recent years preceding the year of the liquidation order.

JK ✓ **Premium tax statute of limitations.** Amend s. 76.68, Wis. Stat. to require that any suit for a refund of a premium tax must be filed within 6 months of the date of payment.

✓ **Group Insurance Certificates.** Current law requires that an insurer issuing a group insurance policy must provide a certificate of coverage to each member of the insured group. Would allow insurers to make the certificates of coverage/insurance available electronically via internet or the policyholder's internal network web site if the insurer requests that the policyholder post the information in such a way that brings the information to the attention of the certificate holders; and if the insurer provides notice to the policyholder of any significant change in the certificate and requests that the policyholder post the information in such a way that brings the information to the attention of the certificate holders.

632.745 ✓ **Definition of Late Enrollee.** Clarifies that an eligible enrollee, and the enrollee's dependents, to a group health benefit plan who enrolls outside a typical enrollment period shall not be considered a late enrollee if he or she previously declined coverage under the group health benefit plan due to enrollment in other group coverage.

632.07 ✓ **Prohibiting Requiring Property Insurance in Excess of Replacement Value.** Would prohibit lenders from requiring borrowers to obtain property insurance in excess of the

lesser of replacement or market value of the improvements on real property as a condition of obtaining or receiving a loan secured by the real property.

**Municipal mutuals.** Provides that regulations related to insurance holding companies (Chapter 617) are also applicable to municipal mutuals and clarifies that municipal mutuals that offer worker's compensation insurance are required to participate in the worker's compensation pool.

# Memo

**To:** Joe

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**From:** Pam

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**Subject:** OCI draft

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**Date:** 3-5-07

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Hi, Joe:

Remember a long time ago we started an OCI omnibus draft that included a premium tax statute of limitations – which you drafted? The omnibus draft has undergone various permutations and is now three “packages.” Your statute of limitations is in the “Financial and Market Conduct Package,” which is LRB-0842. I don’t know if you need to change your insert in any way or if you need to add anything else to the draft – other than an analysis – such as initial ap, etc. As you can see, for the analysis, you have a choice – you can either have a separate titled portion, or you can add to the list under “Miscellaneous insurance provisions.”

I took out the fiscal estimate tag – but maybe your stuff has a fiscal effect. I’ve sent this to your inbox; it’s ready for editing when you’re finished.

Thanks!